

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Report to Congress on Universal Service) CC Docket No. 96-45 (Report to Congress)
)

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FEDERAL COMMUNICATIONS COMMISSION

COMMENTS OF LOW TECH DESIGNS, INC.

Low Tech Designs, Inc. ("LTD") respectfully submits the following comments addressing the definitions and issues requested by the FCC in the above Docket.

1. **Telecommunications** *"The term 'telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received."*

This definition of telecommunications is so broad that it could conceivably encompass the act of transmitting (delivering or transferring) a magazine or newspaper from a printing plant to the home of a subscriber, possibly requiring FCC regulation of the US Postal Service and newspaper carriers. Realizing that the FCC regulates wire and wireless communication, we will concentrate only on this aspect of telecommunications, while leaving the reader to ponder the full implications of the current definition.

The key element of this definition is "without change in the form or content of the information as sent or received". With regard to the Internet, most of the transmissions involved is information of the user's choosing, without change in the form or content of the information as sent and received. Web pages and email, the current predominant form of Internet information, are constructed as a form of information that travels unchanged, from user or server to email client or Web browser. In this regard, "surfing the 'net'" is an electronic equivalent of an

incredibly large “fax on demand” service, minus the paper. While we shouldn’t be regulating creators of Internet content, the transmission of this information over the Internet, just as the transmission of fax information over the PSTN, is a form of telecommunications.

ILEC’s are currently attempting to characterize local exchange connections to ISP’s as totally interstate in nature, in order to avoid reciprocal compensation to CLEC’s providing exchange service to ISP’s. LTD will show later that ISP’s are actually local exchange carriers themselves and are providing exchange service and exchange access.

2. Telecommunications Service *“The term “telecommunications service” means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.”*

In the above definition, the telecommunications being offered for a fee to the public could certainly encompass the Internet, particularly when one does not require consideration of the facilities used.

3. Telecommunications Carrier *“The term “telecommunications carrier” means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in section 226). A telecommunications carrier shall be treated as a common carrier under this Act only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.”*

If telecommunications services are being provided over facilities provided by ISP’s, then ISP’s are Telecommunications Carriers, and should be able to interconnect and exchange traffic with ILEC’s subject to mutual compensation. As such, ISP’s would need to be registered with State Commissions and the FCC, and should contribute to the Universal Service Fund, based on revenues that excluded payments made to other providers of telecommunications services.

4. Information Service *“The term “information service” means the offering of a capability for generating, acquiring, storing, transforming,*

processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service."

"Information Service" providers are in the information content business. Web site hosting services are a good example. They offer information unrelated to the management, control or operation of a telecommunications system or the management of a telecommunications service. The interesting exemption above, which allows computer or information type capabilities to be offered by telecommunications carriers (Caller ID, Centrex Automatic Route Selection, automatic call return/*69, Advanced Intelligent Network call processing logic, etc.) without crossing the telecommunications service line, introduces an initial point of consideration for the concept of hybrid services, and the existence of combined telecommunications/information service providers.

These type of services are currently considered to be telecommunications services, because they are tariffed and given the legal exemption above, but at their heart, they are information services. If a definition of hybrid services were ever proposed, this exemption, and the services provided under it, would have to be the first services considered for inclusion in this new category of mixed/hybrid services. The capabilities of the Advanced Intelligent Network for the creation of new mixed/hybrid type services is endless. Unfortunately, the FCC has not concluded its 91-346 Docket regarding Intelligent Networks. Hopefully, this will occur soon and unleash some of the elusive benefits the Telecommunications Act of 1996 anticipated, particularly for residential and small business consumers.

5. Telephone Exchange Service *"The term "telephone exchange service" means (A) service within a telephone exchange, or within a connected system of telephone exchanges within the same exchange area operated to furnish to*

subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (B) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service."

If ISP's are providing telecommunications, and are therefore telecommunications carriers interconnecting with other local exchange carriers, then the facilities they use provide telephone exchange service to originate and terminate a telecommunications service (as in "B" above).

6. Local Exchange Carrier *"The term 'local exchange carrier' means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c), except to the extent that the Commission finds that such service should be included in the definition of such term."*

Based upon the above assertions, ISP are also local exchange carriers, in that their interconnection with other local exchange carriers constitutes a form of exchange service and their connection to the Internet constitutes exchange access.

7. Eligible Telecommunications Carriers

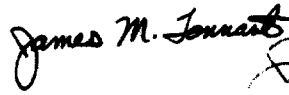
Unless ISP's are considered to be telecommunications carriers, they should not pay into, or receive funds from, current or future universal service funding mechanisms. LTD does not believe that current funding and distribution mechanisms are competitively neutral. LTD also believes that cable TV service providers should be responsible for contributing to the Federal universal service fund.

8. Revenue Base for Contributions to Fund

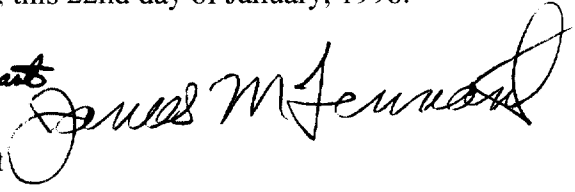
LTD does not support the FCC's imposition of additional USF charges on business or residential second phone lines and believes that the PICC is not competitively neutral in that it

only applies to companies with presubscribed accounts and not to companies offering casual dial-around services.

Respectfully submitted, this 22nd day of January, 1998.



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served one copy of Low Tech Designs, Inc.'s COMMENTS OF LOW TECH DESIGNS, INC. by U.S. Mail in a properly addressed envelope with adequate postage thereon to insure delivery to the following parties:


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An original and 4 copies were delivered, via U.S. Mail, to:

Magalie Roman Salas
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This 22nd day of January, 1998.



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